BerryDunn

United Way, Inc. d/b/a United Way of Southern Maine and Subsidiary

CONSOLIDATED FINANCIAL STATEMENTS

with

SUPPLEMENTARY INFORMATION

and

REPORTS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*, *THE UNIFORM GUIDANCE* AND *MAINE UNIFORM ACCOUNTING AND AUDITING PRACTICES ACT FOR COMMUNITY AGENCIES*

June 30, 2024 and 2023

With Independent Auditor's Report

BerryDunn
BDMP Assurance, LLP

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
United Way, Inc. d/b/a United Way of Southern Maine and Subsidiary

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of United Way, Inc. d/b/a United Way of Southern Maine and Subsidiary (the Organization), which comprise the consolidated statement of financial position as of June 30, 2024, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Organization as of June 30, 2024, and the consolidated changes in their net assets and cash flows for the year then ended in accordance with U.S. generally accepted accounting principles (U.S. GAAP).

Basis for Opinion

We conducted our audit in accordance with U.S. generally accepted auditing standards (U.S. GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Consolidated Financial Statements

The consolidated financial statements of the Organization as of and for the year ended June 30, 2023 were audited by Berry, Dunn, McNeil & Parker, LLC, whose report dated December 12, 2023 expressed an unmodified opinion on those statements.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements were available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

The Board of Directors
United Way, Inc. d/b/a United Way of Southern Maine and Subsidiary

In performing an audit in accordance with U.S. GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Consolidating Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statement of financial position as of June 30, 2024 and consolidating statement of activities for the year ended June 30, 2024 are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and changes in net assets of the individual entities, and are not a required part of the consolidated financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The accompanying schedule of expenditures of Department agreements, as required by Maine Uniform Accounting and Auditing Practices Act for Community Agencies, is presented for additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2025, on our consideration of the Organization’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization’s internal control over financial reporting and compliance.

BDMP Assurance, LLP

Portland, Maine
March 21, 2025

UNITED WAY, INC. D/B/A UNITED WAY OF SOUTHERN MAINE AND SUBSIDIARY

Consolidated Statements of Financial Position

June 30, 2024 and 2023

ASSETS

	2024	2023
Cash and cash equivalents	**$ 2,536,780**	$ 5,923,914
Pledges receivable, net	**2,278,236**	2,417,115
Other receivables	**882,662**	351,690
Other assets	**31,563**	138,688
Certificates of deposit	**26,570**	76,232
Long-term investments	**11,284,542**	10,229,685
Beneficial interest in perpetual trusts	**1,778,202**	1,626,480
Right-of-use assets, operating leases	**1,611,272**	1,770,516
Equipment, net of accumulated depreciation of $448,055 in 2024 and $411,524 in 2023	**405,027**	411,615
Total assets	**$ 20,834,854**	$ 22,945,935

LIABILITIES AND NET ASSETS

	2024	2023
Liabilities		
Accounts payable and accrued expenses	**$ 962,959**	$ 1,404,011
Designations payable	**1,616,670**	1,044,823
Lease liabilities, operating leases	**1,647,203**	1,789,966
Total liabilities	**4,226,832**	4,238,800
Net assets		
Without donor restrictions		
Undesignated	**2,476,123**	2,169,424
Board designated	**5,126,806**	4,694,600
Total without donor restrictions	**7,602,929**	6,864,024
With donor restrictions	**9,005,093**	11,843,111
Total net assets	**16,608,022**	18,707,135
Total liabilities and net assets	**$ 20,834,854**	$ 22,945,935

The accompanying notes are an integral part of these consolidated financial statements.

UNITED WAY, INC. D/B/A UNITED WAY OF SOUTHERN MAINE AND SUBSIDIARY

Consolidated Statement of Activities

Year Ended June 30, 2024
(With summarized information for the Year Ended June 30, 2023 for comparison)

	2024			2023
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	Total
Campaign results:				
2024 campaign results	**$ -**	**$ 129,889**	**$ 129,889**	$ 110,764
2023 campaign results	**-**	**6,151,740**	**6,151,740**	6,734,248
2022 campaign results	**-**	**43,928**	**43,928**	44,521
Less donor designations to other organizations, net	**-**	**(833,822)**	**(833,822)**	(746,425)
Less provision for uncollectible pledges	**-**	**(134,385)**	**(134,385)**	(290,323)
Net campaign results	**-**	**5,357,350**	**5,357,350**	5,852,785
Revenues, gains and other support:				
Net assets released from restriction from campaign				
2023 campaign	**2,806,045**	**(2,806,045)**	**-**	-
2022 campaign	**3,462,744**	**(3,462,744)**	**-**	-
Gifts and bequests	**15,050**	**-**	**15,050**	8,491
Grant and contract revenue	**-**	**4,051,377**	**4,051,377**	6,000,588
Service fees	**175,752**	**33,818**	**209,570**	184,664
Investment income	**266,394**	**59,533**	**325,927**	608,838
Realized gains on investments	**55,771**	**38,940**	**94,711**	9,633
Unrealized gains on investments	**717,957**	**500,040**	**1,217,997**	576,494
Miscellaneous	**118,091**	**500**	**118,591**	205,859
Other net assets released from restriction	**6,762,509**	**(6,762,509)**	**-**	-
Gains on beneficial interest in perpetual trusts	**-**	**151,722**	**151,722**	103,987
Total revenues	**14,380,313**	**(2,838,018)**	**11,542,295**	13,551,339
Expenses:				
Agency investments/awards	**3,436,290**	**-**	**3,436,290**	4,383,211
Less donor designations, net	**(772,730)**	**-**	**(772,730)**	(746,425)
Community impact	**7,023,870**	**-**	**7,023,870**	6,972,447
211 Maine	**1,705,733**	**-**	**1,705,733**	1,621,338
Total program services	**11,393,163**	**-**	**11,393,163**	12,230,571
Supporting services - management and general and fundraising	**2,248,245**	**-**	**2,248,245**	2,351,639
Total expenses	**13,641,408**	**-**	**13,641,408**	14,582,210
Change in net assets	**738,905**	**(2,838,018)**	**(2,099,113)**	(1,030,871)
Net assets, beginning of year	**6,864,024**	**11,843,111**	**18,707,135**	19,738,006
Net assets, end of year	**$ 7,602,929**	**$ 9,005,093**	**$ 16,608,022**	$ 18,707,135

The accompanying notes are an integral part of these consolidated financial statements.

UNITED WAY, INC. D/B/A UNITED WAY OF SOUTHERN MAINE AND SUBSIDIARY

Consolidated Statement of Activities

Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Campaign results:			
2023 campaign results	$ -	$ 110,764	$ 110,764
2022 campaign results	-	6,734,248	6,734,248
2021 campaign results	-	44,521	44,521
Less donor designations to other organizations, net	-	(746,425)	(746,425)
Less provision for uncollectible pledges	-	(290,323)	(290,323)
Net campaign results	-	5,852,785	5,852,785
Revenues, gains and other support:			
Net assets released from restriction from campaign			
2022 campaign	2,931,024	(2,931,024)	-
2021 campaign	3,495,109	(3,495,109)	-
Gifts and bequests	8,491	-	8,491
Grant and contract revenue	-	6,000,588	6,000,588
Service fees	157,994	26,670	184,664
Investment income	536,052	72,786	608,838
Realized gains on investments	5,661	3,972	9,633
Unrealized gains on investments	349,248	227,246	576,494
Miscellaneous	205,609	250	205,859
Other net assets released from restriction	6,622,745	(6,622,745)	-
Gain on beneficial interest in perpetual trust	-	103,987	103,987
Total revenues	14,311,933	(760,594)	13,551,339
Expenses:			
Agency investments/awards	4,383,211	-	4,383,211
Less donor designations, net	(746,425)	-	(746,425)
Community impact	6,972,447	-	6,972,447
211 Maine	1,621,338	-	1,621,338
Total program services	12,230,571	-	12,230,571
Supporting services - management and general and fundraising	2,351,639	-	2,351,639
Total expenses	14,582,210	-	14,582,210
Change in net assets	(270,277)	(760,594)	(1,030,871)
Net assets, beginning of year	7,134,301	12,603,705	19,738,006
Net assets, end of year	$ 6,864,024	$ 11,843,111	$ 18,707,135

The accompanying notes are an integral part of these consolidated financial statements.

UNITED WAY, INC. D/B/A UNITED WAY OF SOUTHERN MAINE AND SUBIDIARY

Consolidated Statement of Functional Expenses

Year Ended June 30, 2024

	Program Services				Supporting Services			
	Essential Programs and Services	Community Impact	211 Maine	Total	Management and General	Fund Raising	Total	Total
Gross investments/awards/contracted services	**$ 3,436,290**	**$ 3,926,857**	**$ 1,595,720**	**$ 8,958,867**	$ -	$ -	$ -	$ 8,958,867
Less donor designations, net	**(772,730)**	**-**	**-**	**(772,730)**	-	-	-	(772,730)
Agency investments/awards/ contracted services	**2,663,560**	**3,926,857**	**1,595,720**	**8,186,137**	-	-	-	8,186,137
Salaries	**-**	**1,895,435**	**73,372**	**1,968,807**	680,806	690,385	1,371,191	3,339,998
Employees' health and retirement benefits	**-**	**302,668**	**5,875**	**308,543**	34,579	149,583	184,162	492,705
Payroll taxes	**-**	**141,932**	**5,655**	**147,587**	55,014	52,242	107,256	254,843
Professional fees	**-**	**147,542**	**6,124**	**153,666**	42,943	18,525	61,468	215,134
Supplies	**-**	**35,912**	**159**	**36,071**	4,282	5,174	9,456	45,527
Telephone	**-**	**11,168**	**-**	**11,168**	4,494	4,740	9,234	20,402
Postage and shipping	**-**	**2,865**	**505**	**3,370**	1,325	1,471	2,796	6,166
Occupancy	**-**	**172,442**	**3,600**	**176,042**	84,773	90,352	175,125	351,167
Marketing and communications materials	**-**	**14,459**	**4,028**	**18,487**	6,694	7,599	14,293	32,780
Publications and subscription	**-**	**102**	**-**	**102**	50	53	103	205
Travel	**-**	**12,295**	**778**	**13,073**	2,509	5,354	7,863	20,936
Conferences, conventions and meetings	**-**	**37,561**	**2,965**	**40,526**	5,945	8,493	14,438	54,964
National agency support	**-**	**54,690**	**-**	**54,690**	26,904	28,668	55,572	110,262
Equipment, rental and maintenance	**-**	**209,949**	**2,648**	**212,597**	85,479	91,058	176,537	389,134
Insurance	**-**	**12,356**	**4,280**	**16,636**	6,078	6,477	12,555	29,191
Miscellaneous	**-**	**11,479**	**24**	**11,503**	5,477	6,009	11,486	22,989
Depreciation	**-**	**34,158**	**-**	**34,158**	16,804	17,906	34,710	68,868
Total operations	**-**	**3,097,013**	**110,013**	**3,207,026**	1,064,156	1,184,089	2,248,245	5,455,271
Total expenses	**$ 2,663,560**	**$ 7,023,870**	**$ 1,705,733**	**$ 11,393,163**	$ 1,064,156	$ 1,184,089	$ 2,248,245	$ 13,641,408

The accompanying notes are an integral part of these consolidated financial statements.

UNITED WAY, INC. D/B/A UNITED WAY OF SOUTHERN MAINE AND SUBIDIARY

Consolidated Statement of Functional Expenses

Year Ended June 30, 2023

	Program Services				Supporting Services			
	Essential Programs and Services	Community Impact	211 Maine	Total	Management and General	Fund Raising	Total	Total
Gross investments/awards/contracted services	$ 4,383,211	$ 4,205,194	$ 1,514,590	$ 10,102,995	$ -	$ -	$ -	$ 10,102,995
Less donor designations, net	(746,425)	-	-	(746,425)	-	-	-	(746,425)
Agency investments/awards/ contracted services	3,636,786	4,205,194	1,514,590	9,356,570	-	-	-	9,356,570
Salaries	-	1,672,547	72,703	1,745,250	700,144	760,784	1,460,928	3,206,178
Employees' health and retirement benefits	-	272,239	5,644	277,883	34,794	166,648	201,442	479,325
Payroll taxes	-	126,099	5,521	131,620	52,474	59,279	111,753	243,373
Professional fees and contract services	-	152,000	5,581	157,581	49,221	33,401	82,622	240,203
Supplies	-	30,730	-	30,730	3,183	3,856	7,039	37,769
Telephone	-	20,365	-	20,365	7,101	12,529	19,630	39,995
Postage and shipping	-	3,583	149	3,732	1,735	2,144	3,879	7,611
Occupancy	-	156,748	3,600	160,348	68,423	83,019	151,442	311,790
Marketing and communications materials	-	16,606	5,803	22,409	7,190	10,135	17,325	39,734
Publications and subscription	-	220	-	220	75	290	365	585
Travel	-	6,618	2,428	9,046	1,517	3,541	5,058	14,104
Conferences, conventions and meetings	-	27,916	-	27,916	5,295	7,410	12,705	40,621
National agency support	-	46,326	-	46,326	23,087	28,011	51,098	97,424
Equipment, rental and maintenance	-	171,598	-	171,598	70,870	85,961	156,831	328,429
Insurance	-	20,632	4,183	24,815	10,282	12,475	22,757	47,572
Miscellaneous	-	7,404	1,136	8,540	3,378	4,097	7,475	16,015
Depreciation	-	35,622	-	35,622	17,752	21,538	39,290	74,912
Total operations	-	2,767,253	106,748	2,874,001	1,056,521	1,295,118	2,351,639	5,225,640
Total expenses	$ 3,636,786	$ 6,972,447	$ 1,621,338	$ 12,230,571	$ 1,056,521	$ 1,295,118	$ 2,351,639	$ 14,582,210

The accompanying notes are an integral part of these consolidated financial statements.

UNITED WAY, INC. D/B/A UNITED WAY OF SOUTHERN MAINE AND SUBSIDIARY

Consolidated Statements of Cash Flows

Years Ended June 30, 2024 and 2023

	2024	2023
Cash flows from operating activities		
Change in net assets	**$ (2,099,113)**	$ (1,030,871)
Adjustments to reconcile change in net assets to net cash used by operating activities		
Depreciation	**68,868**	74,912
Net realized and unrealized gains on investments	**(1,312,708)**	(586,127)
Gain on beneficial interest in perpetual trusts	**(151,722)**	(103,987)
Right-of-use operating leases, net	**16,481**	19,450
Changes in operating assets and liabilities		
Pledges receivable	**138,879**	528,351
Other receivables	**(530,972)**	27,781
Other assets	**107,125**	32,453
Accounts payable and accrued expenses	**(441,052)**	612,513
Designations payable	**571,847**	(92,795)
Net cash used by operating activities	**(3,632,367)**	(518,320)
Cash flows from investing activities		
Purchase of equipment	**(62,280)**	(82,036)
Maturity of certificates of deposit	**49,662**	41,428
Purchase of investments	**(1,767,260)**	(2,583,469)
Proceeds from sale and maturities of investments	**2,025,111**	2,495,100
Net cash provided (used) by investing activities	**245,233**	(128,977)
Net decrease in cash and cash equivalents	**(3,387,134)**	(647,297)
Cash and cash equivalents, beginning of year	**5,923,914**	6,571,211
Cash and cash equivalents, end of year	**$ 2,536,780**	$ 5,923,914

The accompanying notes are an integral part of these consolidated financial statements.

1. Description of Organization and Summary of Significant Accounting Policies

Organization

United Way, Inc. d/b/a United Way of Southern Maine (United Way) improves people's lives by mobilizing the caring power of our communities. With financial, volunteer, and in-kind support, United Way works with community partners to address the most pressing health and human service issues in Southern Maine.

United Way is the sole member of 211 Maine, Inc., a Maine nonprofit corporation (211 Maine). 211 Maine was established to offer comprehensive health and human services information and referral services for the State of Maine (the State).

United Way and 211 Maine, collectively are referred to as "the Organization."

Reporting Entity and Consolidation

The accompanying consolidated financial statements include the accounts of the Organization. All intercompany balances and transactions have been eliminated in consolidation.

Operations

Annual United Way campaigns are conducted in the fall of each year. Undesignated campaign contributions are used to support local health and human service programs of partner agencies; to support other community programs and initiatives; to make grants in support of education, financial stability, health, and diversity and inclusion strategies; and to pay the Organization's operating expenses. Donors may choose to designate their pledges to a partner agency, a non-partner agency that provides health and human services within the State, or another out-of-area United Way.

Annual fall campaigns are reduced by pledges that are designated to other organizations (Specific Care donations), and by a provision for uncollectible pledges. The resulting net pledges are reflected as campaign results with donor restrictions until released from restriction and expended. Approximately one-half of the prior and current years' campaign results are released from restriction in the current year's statement of activities. The balance of the current year's net pledges is included in net assets with donor restrictions at year-end. Specific Care donations, net of an administrative fee and provisions for uncollectible pledges, have been recorded as designations payable in the consolidated statements of financial position and have not been recorded as revenue or expense in the consolidated statements of activities.

The Organization also processes pledges and collects and distributes funds outside of Southern Maine from employees of several companies. Like Specific Care pledges raised locally, these donations, net of an administrative fee and provisions for uncollectible pledges, have been recorded as designations payable in the consolidated statements of financial position and have not been recorded as revenue or expense in the consolidated statements of activities. See Note 3.

In addition to annual campaign and other cash contributions, donors can utilize various planned giving vehicles including bequests, gifts of securities, and life insurance to support the Organization's long-term operations. Such contributions are assets of the Organization. Endowment assets are managed by the Organization's Finance Committee in accordance with an Investment Policy approved by the Board of Directors (Board).

Basis of Presentation

The consolidated financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Academy. These net assets may be used at the discretion of the Organization's management and the Board.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include investments in highly liquid debt securities with original maturities of three months or less when purchased, excluding investments held in trust.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are recorded at fair value based on quoted market prices in the consolidated statements of financial position.

Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect investment balances and the amounts reported in the consolidated statements of financial position.

Equipment

Equipment is carried at cost or, if acquired by gift, at appraised value at date of gift. Depreciation is provided over the estimated useful lives of the respective assets using the straight-line method.

Contributed equipment is recorded at fair value at the date of donation. If donors stipulate how long the assets must be used for a specific purpose, the contributions are recorded as support with donor restrictions. In the absence of such stipulations, contributions of equipment is recorded as support without donor restrictions.

Right-of-Use Assets and Lease Liabilities

The Organization determines if an arrangement is a lease of contains a lease at inception of a contract. In evaluating its contracts, the Organization separately identifies lease and non-lease components, such as common area and other maintenance costs, in calculating the right-of-use (ROU) assets and lease liabilities.

Leases result in the recognition of ROU assets and lease liabilities. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. At lease inception, the lease liability is measured at the present value of the lease payments over the lease term, typically calculated using the Organization's incremental borrowing rate. The Organization determines lease classification as operating or finance at the lease commencement date.

The lease term may include options to extend or to terminate the lease that the Organization is reasonably certain to exercise. Operating lease expenses are recognized on a straight-line basis throughout the lease term, whereas finance leases apply the effective interest rate method. Leases with terms of fewer than 12 months are not recorded in the consolidated statements of financial position but are expensed over the lease term.

Donor-Restricted Gifts

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. The gifts are reported as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When the donor stipulation expires, net assets are reclassified to net assets without donor restrictions.

Grant and Contract Revenue

The Organization also undertakes other specific initiatives periodically in connection with its goals for the education, financial stability, and health of the Southern Maine community. These initiatives are funded by operating dollars from the sources referenced above as well as grants from foundations and corporations.

Expenditure-driven grants are recognized in the period expenditures are incurred in connection with the grant. Other grants and contracts are recognized as conditions, if any, are met under the terms of the grant and contract agreements. At June 30, 2024 and 2023, unspent grant funds totaled $146,246 and $793,277, respectively, and were included in accounts payable and accrued expenses on the consolidated statements of financial position.

Expenses Allocations

Expenses are allocated to both programs and supporting services. Salaries and wages are allocated based on estimates of time spent by members of the staff. Other expenses that are not directly attributable to one category are allocated based on full-time equivalents.

Recently Adopted Accounting Pronouncement

Effective July 1, 2023, the Organization adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-13, *Financial Instruments—Credit Losses* (Topic 326): *Measurement of Credit Losses on Financial Instruments*, and related guidance as amended, which modifies the measurement of expected claims and credit losses on certain financial instruments. The Organization adopted this new guidance utilizing the modified retrospective transition method. Topic 326 requires measurement and recognition of expected versus incurred losses for financial assets held. Financial assets held by the Organization that are subject to Topic 326 include other receivables. The adoption of Topic 326 did not have a material impact on the Organization's consolidated financial statements.

Subsequent Events

Management has evaluated subsequent events through March 21, 2025, the date the accompanying consolidated financial statements were available to be issued.

2. Liquidity and Availability of Financial Assets

As of June 30, 2024 and 2023, the Organization had working capital of approximately $2,987,000 and $6,139,000, respectively, and average days cash on hand (based on normal expenditures) of approximately 68 and 150, respectively.

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to optimize the investment of its available funds. The Organization has various sources of liquidity at its disposal, including cash and cash equivalents, receivables and investments.

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization seeks to operate with a balanced budget and anticipates collecting sufficient revenue to cover expenditures not covered by donor restricted resources.

Financial assets available for general expenditure within one year of the date of the consolidated statements of financial position consist of the following:

	2024	2023
Cash and cash equivalents	**$ 2,536,780**	$ 5,923,914
Pledges receivable	**2,278,236**	2,417,115
Other receivables	**882,662**	351,690
Budgeted endowment draw	**429,000**	429,000
Beneficial interest in perpetual trusts	**1,778,202**	1,626,480
Long-term investments	**11,284,542**	10,229,685
Total financial assets	**19,189,422**	20,977,884
Less assets with restrictions		
Beneficial interest in perpetual trusts	**(1,778,202)**	(1,626,480)
Designated funds - out-of-area	**(1,262,537)**	(800,567)
Designated funds - local	**(503,830)**	(440,555)
Donor restricted endowment funds	**(6,651,937)**	(4,632,605)
Board designated funds	**(5,126,806)**	(4,694,600)
Grant funds	**(400,702)**	(2,168,374)
211 Maine funds	**(373,229)**	(378,425)
	(16,097,243)	(14,741,606)
Financial assets available to meet cash needs for general expenditures within one year	**$ 3,092,179**	$ 6,661,795

The Organization maintains reserves in a range of between 15% and 25% of total expenses as determined by the previous year's audited financial statements. Additionally, by policy the lower limit on the range should not fall below 150% of the average monthly expenditures based on the past calendar year.

3. Pledges Receivable

The Organization serves and conducts its annual campaign in the Southern Maine region including Cumberland and York counties. The ability and willingness of individuals and corporations to honor their pledges are generally dependent on current economic conditions within the geographic area. The Organization estimates the allowance for uncollectible pledges using historical loss factors and current economic conditions. All pledges receivable are due in one year.

As of June 30, the balance of pledges receivable, net of allowance for uncollectible pledges, by campaign year is as follows:

2024			
Campaign Year	**Gross Pledges Receivable**	**Allowance**	**Net Pledges Receivable**
2024	**$ 150**	**$ -**	**$ 150**
2023	**1,832,131**	**215,311**	**1,616,820**
2022	**187,955**	**187,955**	**-**
2021	**209,822**	**209,822**	**-**
	2,230,058	**613,088**	**1,616,970**
Specific Care pledges	**737,176**	**75,910**	**661,266**
	$ 2,967,234	**$ 688,998**	**$ 2,278,236**

2023			
Campaign Year	Gross Pledges Receivable	Allowance	Net Pledges Receivable
2022	$ 1,996,303	$ 240,348	$ 1,755,955
2021	302,092	302,092	-
2020	165,471	165,471	-
	2,463,866	707,911	1,755,955
Specific Care pledges	730,489	69,329	661,160
	$ 3,194,355	$ 777,240	$ 2,417,115

The Organization processes campaign pledges for other organizations outside the local service area as described in Note 1. Such Specific Care pledges are included in pledges receivable and designations payable in the accompanying consolidated statements of financial position.

4. Investments and Endowments

The Organization has interpreted the Uniform Prudent Management of Institutional Funds Act of the State of Maine to require appreciation on investments of contributions restricted by donors to be maintained in perpetuity, unless the donor has otherwise indicated in the gift instrument, to be considered donor restricted until appropriated by the Organization's Board.

The long-term investments are governed by an investment policy and endowment spending policy as approved periodically by the Organization's Board. The investment policies include guidance on investment objectives, asset allocation, investment quality and diversification, and performance measurement and reporting. Such policies attempt to provide a predictable stream of funding to programs supported by the endowment while seeking to maintain the purchasing power of the endowment assets. Management continues appropriation from certain funds of perpetual duration as approved by the Board. The portfolio is invested in a manner that is intended to generate annual returns of the Consumer Price Index increase plus 5%, net of expenses, while assuming a moderate level of risk. The Board uses outside professionals to manage its investment portfolio. The Organization's target investment allocation is 75% equities and 25% fixed income. The endowment spending policy specifies a range of 3% to 5% of invested funds annually. Such spending totaled approximately $453,000 and $429,000 in fiscal years 2024 and 2023, respectively.

A summary of investments at were as follows at June 30:

	2024	2023
U.S. Treasury notes and obligations of government agencies	**$ 687,486**	$ 934,548
Mutual funds - equity	**10,234,083**	8,418,625
Money market accounts	**94,296**	293,053
Corporate bonds	**268,677**	583,459
	$ 11,284,542	$ 10,229,685

Such investments are allocated as follows at June 30:

	2024	2023
United Way investments		
Net assets without donor restrictions	**$ 6,651,937**	$ 6,022,597
Net assets with donor restrictions (endowment)	**4,632,605**	4,207,088
	$ 11,284,542	$ 10,229,685

The changes in United Way investment funds by net asset category were as follows for the years ended June 30 2024 and 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Balances, June 30, 2022	$ 5,689,766	$ 3,865,423	$ 9,555,189
Net investment return	654,232	458,599	1,112,831
Additions	8,347	-	8,347
Reunitization	(77,979)	77,979	-
Change in donor designation	-	(17,420)	(17,420)
Appropriation for expenditure	(251,769)	(177,493)	(429,262)
Balances, June 30, 2023	6,022,597	4,207,088	10,229,685
Net investment return	**893,910**	**622,791**	**1,516,701**
Appropriation for expenditure	**(264,570)**	**(197,274)**	**(461,844)**
Balances, June 30, 2024	**$ 6,651,937**	**$ 4,632,605**	**$ 11,284,542**

5. Beneficial Interest in Perpetual Trusts

The Organization is the income beneficiary of an irrevocable perpetual trust. These funds are held and controlled by Bank of America, as trustee. The Organization is entitled to 85% of the income from the trust. The Organization has recorded an asset in the consolidated statements of financial position at the present value of estimated future distributions which approximates the fair value of the Organization's share of trust assets at the consolidated statement of financial position date.

Effective with the merger, the Organization became a beneficiary under two irrevocable perpetual trusts. These funds are held and controlled by HM Payson, as trustee. The Organization is entitled to 16.67% and 10% of the fair value of the Levasseur and Ross trusts, respectively. Trust principal is not available to be spent, and as such the Organization is not permitted to spend the principal of the trusts, nor does it have control over the investment of the trust assets. The Organization has recorded an asset in the consolidated statements of financial position at the present value of estimated future distributions which approximates the fair value of the Organization's share of trust assets at the date of the consolidated statement of financial position.

6. Net Assets

Undesignated net assets are without donor restrictions and available for programs and support services of the Organization. The Board of Directors has designated net assets without donor restrictions for long-term purposes labeled above as endowment. The income earned on these investments is to be used for charitable purposes including initiatives.

Net assets with donor restrictions temporary in nature were available for the following purposes at June 30:

	2024	2023
Campaign contributions	**$ 1,820,355**	$ 3,462,744
Endowment funds appreciation	**2,643,856**	2,218,339
Grant funds	**400,702**	2,168,374
211 Maine	**373,229**	378,425
	$ 5,238,142	$ 8,227,882

Campaign contributions and endowment funds are considered time restricted in nature.

Net assets maintained in perpetuity for which the income is with donor restrictions at were as follows at June 30:

	2024	2023
Beneficial interest in perpetual trusts (Note 5)	**$ 1,778,202**	$ 1,626,480
Endowment funds	**1,988,749**	1,988,749
	$ 3,766,951	$ 3,615,229

7. Employee Benefits

The Organization has established a Tax Deferred Annuity Plan in accordance with Section 403(b) of the Internal Revenue Code (the Code), which covers all employees. Employees may elect to defer a portion of their compensation of which a certain percent (6% in 2024 and 2023) determined annually by the Board is matched dollar-for-dollar by the Organization. In addition, the Plan provides for discretionary contributions by the Organization. The amounts deferred by the employee vest immediately and the Organization's contributions vest over a four-year period. The Organization's contribution to the Plan in 2024 and 2023 was $138,553 and $143,775, respectively.

8. Leases

The Organization leases buildings and land under noncancelable operating leases expiring in various dates through 2035. The monthly lease payments range from $2,200 to $16,012 through the end of the lease terms. Some leases do not require monthly payments and are paid quarterly. The following table presents the right-of-use assets and lease liabilities as of June 30:

	2024	2023
Assets		
Right-of-use assets, operating leases	**$ 1,611,272**	$ 1,770,516
Liabilities		
Lease liabilities, operating leases	**$ 1,647,203**	$ 1,789,966
Weighted-average discount rate	**3.0 %**	3.0 %
Weighted-average remaining lease term	**10.9**	11.9

Expense under the operating leases was $181,091 and $197,573 for the years ended June 30, 2024 and 2023, respectively, which approximated the cash paid for operating leases.

The maturity analysis of the annual undiscounted cash flows reconciled to the carrying value of the operating lease liabilities are as follows for the years ending June 30:

2025	$ 157,718
2026	160,806
2027	163,956
2028	167,168
2029	170,448
Thereafter	1,127,266
	1,947,362
Less present value discount	(300,159)
	$ 1,647,203

9. Income Taxes

United Way and 211 Maine are not-for-profit corporations as described in Section 501(c)(3) of the Code and as such are exempt from federal and state income taxes.

Management has evaluated the United Way and 211 Maine's tax positions and concluded that they have maintained their tax-exempt status, do not have any significant unrelated business income, and have taken no uncertain tax positions that require adjustment to the consolidated financial statements.

10. Volunteer Services (Unaudited)

During the years ended June 30, 2024 and 2023, volunteers provided 10,074 and 8,575 hours of service to Organization programs, respectively. The volunteers provide various nonspecialized services to the Organization, none of which have been recognized as revenue or expense in the consolidated statements of activities.

11. Concentrations of Credit Risk

The Organization maintains its cash balances at a financial institution that, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant risk on cash and cash equivalents.

12. Commitment

The Organization has an agreement with The Opportunity Alliance, a nonprofit corporation, through June 30, 2024 (subject to termination by either party in certain events). The Opportunity Alliance provides call center services and other administrative services for 211 Maine. Expenses for these services totaled $1,595,720 and $1,514,590 in fiscal years 2024 and 2023, respectively. At June 30, 2024 and 2023, 211 Maine owed The Opportunity Alliance $131,603 and $136,784, respectively, which is included in accounts payable and accrued expenses in the consolidated statements of financial position

13. Contracts

211 Maine enters into contracts with the State. Revenues related to the contracts approximated $1,246,000 and $1,151,000 in 2024 and 2023, respectively. As of July 1, 2024, 211 Maine entered into a contract with the State through June 30, 2026 with a committed amount up to $2,048,089 for services to be provided by 211 Maine.

14. Fair Value Measurement

FASB Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurement*, defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. FASB ASC Topic 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect an entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

Assets measured at fair value on a recurring basis are summarized below.

	Total	Level 1	Level 2	Level 3
2024				
Investments:				
U.S. Treasury notes and obligations of government agencies	**$ 687,486**	**$ -**	**$ 687,486**	**$ -**
Mutual funds				
Foreign equity funds	**1,780,237**	**1,780,237**	**-**	**-**
Domestic equity funds	**8,453,846**	**8,453,846**	**-**	**-**
Money market accounts	**94,296**	**94,296**	**-**	**-**
Corporate bonds	**268,677**	**-**	**268,677**	**-**
Total investments	**$ 11,284,542**	**$ 10,328,379**	**$ 10,229,685**	**$ -**
Beneficial interest in perpetual trusts	**$ 1,778,202**	**$ -**	**$ -**	**$ 1,778,202**

	Total	Level 1	Level 2	Level 3
2023				
Investments:				
U.S. Treasury notes and obligations of government agencies	$ 934,548	$ -	$ 934,548	$ -
Mutual funds				
Foreign equity funds	2,185,524	2,185,524	-	-
Domestic equity funds	6,233,101	6,233,101	-	-
Money market accounts	293,053	293,053	-	-
Corporate bonds	583,459	-	583,459	-
Total investments	$ 10,229,685	$ 8,711,678	$ 1,518,007	$ -
Beneficial interest in perpetual trust	$ 1,626,480	$ -	$ -	$ 1,626,480

Level 2 measurements consist of corporate bonds and government obligations valued based on quoted prices for similar assets.

The Level 3 beneficial interest in perpetual trusts is valued based on the present value of expected cash flows using quoted market prices of the assets in the trusts multiplied by the Organization's share of the trusts.

SUPPLEMENTARY INFORMATION

UNITED WAY, INC. D/B/A UNITED WAY OF SOUTHERN MAINE AND SUBSIDIARY

Consolidating Statement of Financial Position

June 30, 2024

ASSETS

	United Way, Inc.	211 Maine, Inc.	Eliminations	Consolidated
Cash and cash equivalents	$ 2,384,153	$ 152,627	$ -	$ 2,536,780
Pledges receivable, net	2,278,236	-	-	2,278,236
Other receivables	314,241	568,421	-	882,662
Due from United Way, Inc.	-	14,709	(14,709)	-
Other assets	129,435	2,215	(100,087)	31,563
Certificates of deposit	26,570	-	-	26,570
Long-term investments	11,284,542	-	-	11,284,542
Beneficial interest in perpetual trusts	1,778,202	-	-	1,778,202
Right-of-use assets, operating leases	1,611,272	-	-	1,611,272
Equipment, net of accumulated depreciation	405,027	-	-	405,027
Total assets	$ 20,211,678	$ 737,972	$ (114,796)	$ 20,834,854

LIABILITIES AND NET ASSETS

	United Way, Inc.	211 Maine, Inc.	Eliminations	Consolidated
Liabilities				
Accounts payable and accrued liabilities	$ 698,303	$ 264,656	$ -	$ 962,959
Designations payable	1,616,670	-	-	1,616,670
Lease liabilities, operating leases	1,647,203	-	-	1,647,203
Other liabilities	14,709	100,087	(114,796)	-
Total liabilities	3,976,885	364,743	(114,796)	4,226,832
Net assets				
Without donor restrictions				
Undesignated	2,476,123	-	-	2,476,123
Board designated	5,126,806	-	-	5,126,806
Total without donor restrictions	7,602,929	-	-	7,602,929
With donor restrictions	8,631,864	373,229	-	9,005,093
Total net assets	16,234,793	373,229	-	16,608,022
Total liabilities and net assets	$ 20,211,678	$ 737,972	$ (114,796)	$ 20,834,854

The accompanying notes are an integral part of these consolidated financial statements.

UNITED WAY, INC. D/B/A UNITED WAY OF SOUTHERN MAINE AND SUBSIDIARY

Consolidating Statement of Activities

Year Ended June 30, 2024

	United Way, Inc.					
	Without Donor Restrictions	With Donor Restrictions	Total	211 Maine, Inc.	Eliminations	Total
Campaign results	$ -	$ 6,325,557	$ 6,325,557	$ -	$ -	$ 6,325,557
Less donor designations to other organizations, net	-	(833,822)	(833,822)	-	-	(833,822)
Less provision for uncollectible pledges	-	(134,385)	(134,385)	-	-	(290,324)
Net campaign results	-	5,357,350	5,357,350	-	-	5,357,350
Revenue, gains and other support						
Net assets released from restriction						
2023 campaign	2,806,045	(2,806,045)	-	-	-	-
2022 campaign	3,462,744	(3,462,744)	-	-	-	-
Gifts and bequests	15,050	-	15,050	-	-	15,050
Grant and contract revenue	-	2,593,083	2,593,083	1,666,219	(207,925)	4,051,377
Service fees	175,752	-	175,752	33,818	-	209,570
Investment income	266,394	59,533	325,927	-	-	325,927
Realized gains on investments	55,771	38,940	94,711	-	-	94,711
Unrealized gains on investments	717,957	500,040	1,217,997	-	-	1,217,997
Miscellaneous	118,091	-	118,091	500	-	118,591
Other net assets released from restriction	5,264,701	(5,264,701)	-	-	-	-
Gain on perpetual trusts	-	151,722	151,722	-	-	151,722
Total revenues	12,882,505	(2,832,822)	10,049,683	1,700,537	(207,925)	11,542,295
Expenses						
Agency investments/awards	3,436,290	-	3,436,290	-	-	3,436,290
Less donor designations, net	(772,730)	-	(772,730)	-	-	(772,730)
Community impact	7,231,795	-	7,231,795	-	(207,925)	7,023,870
211 Maine	-	-	-	1,705,733	-	1,705,733
Total program services	9,895,355	-	9,895,355	1,705,733	(207,925)	11,393,163
Supporting services - management, general and fundraising	2,248,245	-	2,248,245	-	-	2,248,245
Total expenses	12,143,600	-	12,143,600	1,705,733	(207,925)	13,641,408
Change in net assets	738,905	(2,832,822)	(2,093,917)	(5,196)	-	(2,099,113)
Net assets, beginning of year	6,864,024	11,464,686	18,328,710	378,425	-	18,707,135
Net assets, end of year	$ 7,602,929	$ 8,631,864	$ 16,234,793	$ 373,229	$ -	$ 16,608,022

SUPPLEMENTARY INFORMATION

UNITED WAY, INC. D/B/A UNITED WAY OF SOUTHERN MAINE AND SUBSIDIARY

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

Federal Grant/Pass-Through Grantor/Program Title	Federal AL Number	Contract/ Pass-Through Identifying Number	Total Federal Expenditures
U.S. Department of the Treasury			
Direct:			
Volunteer Income Tax Assistance (VITA) Matching Grant Program	21.009		$ 122,936
U.S. Department of Health and Human Services			
Direct:			
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323		117,932
Direct:			
Child Care Development Block Grant	93.575		181,223
Passed-through:			
Child Care Development Block Grant	93.575	CBH-24-9204	590,620
Total AL 93.575			771,843
Direct:			
Emergency Grants to Address Mental and Substance Use Disorders During COVID-19	93.665		55,000
Direct:			
Block Grants for Prevention and Treatment of Substance Abuse	93.959		32,500
Total U.S. Department of Health and Human Services			977,275
U.S. Department of Homeland Security			
Direct:			
Emergency Food and Shelter National Board Program	97.024		964,242
Total Expenditures of Federal Awards			$ 2,064,453

The accompanying notes are an integral part of this schedule

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the SEFA) includes the federal grant activity of United Way, Inc. d/b/a United Way of Southern Maine and Subsidiary (the Organization) under programs of the federal government for the year ended June 30, 2024. The information in the SEFA is presented in accordance with requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Organization.

2. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

The Organization has not elected to use the 10% de minimis indirect cost rate.

UNITED WAY, INC. AND SUBSIDIARY

Schedule of Expenditures of Department Agreements

Year Ended June 30, 2024

	Department Office	Agreement Number	Agreement Amount	Agreement Period	Agreement Service	Agreement Status	Federal Expenditures	State Expenditures	Total Department Expenditures
	DHHS Direct:								
*	CBH	CBH-24-9204	$ 800,101	08/01/2023 to 06/30/2024	First4ME Pilot Program	Final	$ 590,620	$ -	**$ 590,620**
						Subtotal (Direct)	590,620	-	**590,620**
	DHHS Indirect:								
	N/A						-	-	**-**
						Subtotal (Indirect)	-	-	**-**
						Total	$ 590,620	$ -	**$ 590,620**

* Department agreement tested as major

The accompanying notes are an integral part of this schedule.

UNITED WAY, INC. D/B/A UNITED WAY OF SOUTHERN MAINE AND SUBSIDIARY

Notes to Schedule of Expenditures of Department Agreements

Year Ended June 30, 2024

1. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying schedule of expenditures of Department agreements (the SEDA) includes the Department agreement activity of United Way, Inc. d/b/a United Way of Southern Maine and Subsidiary (the Organization) under programs of the Department for the year ended June 30, 2024. The information in the SEDA is presented in accordance with requirements of *Maine Uniform Accounting and Auditing Practices for Community Agencies* (MAAP). Because the SEDA presents only a selected portion of the operations of the Organization, it is not intended to, and does not, present the financial position, changes in net assets or cash flows of the Organization.

Basis of Settlement

Grants which are cost settled include an estimated settlement of state funds based upon the available grant revenue and other revenue based upon allowable costs.

2. Summary of Significant Accounting Policies for State Department Agreement Expenditures

Expenditures reported on the SEDA consist of direct and indirect costs which are recognized as incurred using the accrual method of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and MAAP. Under those cost principles, certain types of expenditures are not allowable or are limited as to reimbursement.

3. Other Disclosures

Is your Agency required to have a federal Uniform Guidance audit? __X__ yes _____ no

Percentage of major Department agreements tested in relation to total Department expenses: 100%

BerryDunn
BDMP Assurance, LLP

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Board of Directors
United Way, Inc. d/b/a United Way of Southern Maine and Subsidiary

We have audited, in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of United Way, Inc. d/b/a United Way of Southern Maine and Subsidiary (the Organization), which comprise the consolidated statement of financial position as of June 30, 2024, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated March 21, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Board of Directors
United Way, Inc. d/b/a United Way of Southern Maine and Subsidiary

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BDMP Assurance, LLP

Portland, Maine
March 21, 2025

BerryDunn
BDMP Assurance, LLP

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Board of Directors
United Way, Inc. d/b/a United Way of Southern Maine and Subsidiary

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited United Way, Inc. d/b/a United Way of Southern Maine and Subsidiary's (the Organization) compliance with the types of compliance requirements identified as subject to audit in the Office of Management and Budget *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2024. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs related to federal awards.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal program for the year ended June 30, 2024.

Basis for Opinion Each Major Federal Program

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards (U.S. GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with U.S. GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The Board of Directors
United Way, Inc. d/b/a United Way of Southern Maine and Subsidiary

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

BDMP Assurance, LLP

Portland, Maine
March 21, 2025

UNITED WAY, INC. D/B/A UNITED WAY OF SOUTHERN MAINE AND SUBSIDIARY

Schedule of Findings and Questioned Costs Related to Federal Awards

Year Ended June 30, 2024

Section I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	____ yes	X no
Significant deficiency(ies) identified not considered to be material weaknesses?	____ yes	X none reported
Noncompliance material to financial statements noted?	____ yes	X no

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	____ yes	X no
Significant deficiency(ies) identified not considered to be material weaknesses?	____ yes	X none reported
Type of auditor's report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?	____ yes	X no

Identification of major programs:

AL Number(s)	Name of Federal Program or Cluster
97.024	Emergency Food and Shelter National Board Program
93.575	Child Care and Development Block Grant

Auditee qualified as low-risk auditee?	____ yes	X no

Section II. Findings Relating to the Financial Statements Which are Required to be Reported in Accordance with *Government Auditing Standards*

None noted.

Section III. Findings and Questioned Costs for Each Major Federal Program

None noted.

BerryDunn
BDMP Assurance, LLP

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR DEPARTMENT AGREEMENT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY *MAINE UNIFORM ACCOUNTING AND AUDITING PRACTICES ACT FOR COMMUNITY AGENCIES*

The Board of Directors
United Way, Inc. d/b/a United Way of Southern Maine and Subsidiary

Report on Compliance for the Major Department Agreement

Opinion on the Major Department Agreement

We have audited United Way, Inc. d/b/a United Way of Southern Maine and Subsidiary's (the Organization) compliance with the types of compliance requirements described in the *Maine Uniform Accounting and Auditing Practices Act for Community Agencies* (MAAP) and with the requirements identified in the Contract Compliance Riders of the Organization's agreements with the Maine Department of Health and Human Services (the Department) that could have a direct and material effect on the Organization's major Department agreement for the year ended June 30, 2024. The Organization's major Department agreement is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs related to Department agreements.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major Department Agreement for the year ended June 30, 2024.

Basis for Opinion the Major Department Agreement

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards (U.S. GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and MAAP. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's Department agreements.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS, *Government Auditing Standards*, and MAAP will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with U.S. GAAS, *Government Auditing Standards*, and MAAP, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with MAAP, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with MAAP and which is described in the accompanying schedule of findings and questioned costs related to Department Agreements as Finding 2024-001. Our opinion on the major Department agreement is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the Organization’s response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs related to Department agreements. The Organization’s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The Board of Directors
United Way, Inc. d/b/a United Way of Southern Maine and Subsidiary

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Department agreement on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Department agreement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Department agreement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of MAAP. Accordingly, this report is not suitable for any other purpose.

BDMP Assurance, LLP

Portland, Maine
March 21, 2025

UNITED WAY, INC. D/B/A UNITED WAY OF SOUTHERN MAINE AND SUBSIDIARY

Schedule of Findings and Questioned Costs Related to Department Agreements

Year Ended June 30, 2024

Section I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	____ yes	X no
Significant deficiency(ies) identified not considered to be material weaknesses?	____ yes	X none reported
Noncompliance material to financial statements noted?	____ yes	X no

Department Agreements

Internal control over major Department agreements:		
Material weakness(es) identified?	____ yes	X no
Significant deficiency(ies) identified not considered to be material weaknesses?	____ yes	X none reported
Type of auditor's report issued on compliance for major Department agreements:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with MAAP?	X yes	____ no

Identification of major Department agreements:

Identification of Major Department Agreement	
CBH-24-9204	First4ME Pilot Program

Auditee qualified as low-risk auditee?	____ yes	X no

Section II. Findings Relating to the Financial Statements Which are Required to be Reported in Accordance with *Government Auditing Standards*

None noted.

Section III. Findings and Questioned Costs for the Major Department Agreement

2024-001

Program Affected: CBH-24-9204

Condition:

In accordance with Maine Uniform Accounting and Auditing Practices Act for Community Agencies (MAAP),the Organization is required to file an Agreement Closeout Report (ACR) when State of Maine Department of Health and Human Services (Maine DHHS) agreements are final, and are due August 31.

Criteria:

The Organization did not file the ACR for the program affected until December 4, 2024.

Cause and Effect:

The Organization noted there were two invoices not yet received from its subrecipients related to this program, and wanted to verify the amounts reported were accurate before submitting the final ACR.

Recommendation:

We recommend the Organization work with its subrecipients to determine they are aware of the deadlines for financial reporting under these programs. Timeliness of financial reporting is important to remain in compliance and to continue to receive funding from Maine DHHS.

Management Response:

See Corrective Action Plan

United Way
of Southern Maine

550 Forest Ave, Suite 100
Portland, ME 04101

36 Water Street
Kennebunk, ME 04043

t: 207.874.1000 f: 207.874.1007

Corrective Action Plan

Management Response to Finding 2024-001

The Corrective Action Plan involves working closely with the Fiscal Agent to identify the program's fixed deadlines and then working backward to determine the necessary tasks and milestones to meet those deadlines. We will also assist the Fiscal Agent to facilitate the timely receipt of invoices from subrecipients.

Estimated Completion Date: June 30, 2025

Responsible Party: Carl Young, Senior Director, Finance and Operations